HUMAN EVENTS

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News Section

Printed in Two Sections

The President's Speech: The echoes of the President's remarks to the American Bar Association at Philadelphia (August 25) are still literally jangling in the halls of the National Committees of both parties.

Ike attacked (1) the present division of Germany, (2) the continued enslavement of the satellite countries and (3) international subversion and infiltration — for all of which Russia is responsible.

Some jocose barristers, according to reports from our correspondent, cracked: "Ike's trying to ride on Joe's coattails." For Senator McCarthy in his speech in the Senate took a very similar line. His resolution demanding solution of the satellite problem, before the Big Four meeting proceeded further, suffered defeat in the Senate, which almost immediately passed a resolution of similar tenor. The latter measure was designed to placate blocs of voters in big-city states which are discontented with the Eisenhower foreign policy and which could, by voting Democratic, defeat the GOP presidential candidate next year.

The same motive appeared to be behind the surprising Eisenhower stand before the American Bar Association. For all news dispatches noted the distinctly political air of the President's visit to the Quaker City. Local political experts dwelt on the fact that it is no certainty that the GOP can win back the Pennsylvania governorship (lost last year to the Democrats); and that the present Democratic Governor with his state patronage gives his party a big advantage. Furthermore, just now the Republicans are trying to capture the mayoralty contest in Philadelphia from the Democrats — a victory deemed important to the GOP if it wants to climb back in power in the rest of the state next year.

Veteran political observers noted that Thatcher Longstreth, the GOP candidate for Mayor of Philadelphia paid a visit to the White House before the President's visit to his city. Longstreth is having a difficult time and is rated as probably a loser in the November election. He has adopted a "me-too," "liberal," policy on domestic issues — which has offended many conservative Republicans.

The Ex-President's Speech: Harry Truman's "give 'em hell" address in Michigan this week not unexpectedly underlined the charge that the Eisenhower Administration is a "big business" regime, and that its policies are shaped by grasping tycoons. The White House probably took the wisest course in shrugging off the attack. All of Truman's unpopularity in 1952 has not yet evaporated. The ex-President could prove one the Administration's best assets in the campaign.

However, some Democratic circles insist that the Truman motif foreshadows a Democratic offensive of a broader scope. What — they ask — will be the popular response if the Democrats make their campaign on the basis that the GOP spells a combination of "Big Business" and "appeasement of Russia?" This — according to Democratic sources — isn't so incredible as it seems. Their party's leaders, they say, may broadcast the charge that Big Business, led by the "fast buck" boys, was seeking quick profits by doing business with countries behind the Iron Curtain, under the guise of "peaceful co-existence with Russia." Such an allegation, it is claimed, would not only exploit the traditional "class feeling," but also the distrust of Russia — strong in urban areas. In those districts, it is said, many were chilled by the spectacle of an

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American president hobnobbing with the Kremlin masters.

Political observers here believe such a policy is quite likely and is loaded with political dynamite. They have noted that some "liberal" columnists, always reflecting inner-circle Democratic ideas, have taken a skeptical line about the Geneva accomplishments of Eisenhower. Also, it may be incorrect to believe that the Democrats are fond of the bipartisan foreign policy. "Handicapper," writing in HUMAN EVENTS ("Up The Democrats," May 7, 1955) commented: "They [the Democrats] want no part of Eisenhower's program or Republican programs or bipartisan programs. They want in." "Handicapper" suggested that the opposition plans to get back in power by appealing to voting blocs left homeless by the Eisenhower bipartisan and anti-McCarthy policy.

[As we go to press, a reliable informant tells us that one of the most important Democratic figures on the East Coast, a former Governor of a big-city state, is privately talking about "big business appeasement of the Reds." This Democrat was obviously trying out the "new line" on our informant.]

Thunder In The Near East: The Israeli-Egyptian skirmishes along the Gaza frontier could have unpredictable consequences, say diplomats who follow the Middle East situation. To stop it, sometime ago, the Israeli government decided upon a policy of "official reprisals." In retaliation, the Egyptian government trained a commando battalion and then notified western embassies as to the place and time where it would strike. That act alarmed Secretary Dulles into offering mutual guarantees — which have satisfied neither party.

The war of 1948 might not have been won by the Israelis without Soviet last-minute intervention. The Israelis, who in those days were unable to obtain any except smuggled arms, were getting down to their last rounds of ammunition when a large shipment, sent at Stalin's orders, arrived from the Skoda works in Czechoslovakia.

Since then, the Soviets have changed sides; they are now trying to butter up the Arabs. But today the Israelis are believed to be stronger militarily than their Arab opponents. Israel has 1,700,000 people, while the seven allied but disunited Arab countries have 40,000,000. But the Israelis have more and better arms and better trained soldiers. If war comes, it is believed that the Arabs would have a chance only if Soviet help is considerable and comes quickly.

Strauss: Admiral Lewis L. Strauss, Chairman of the Atomic Energy Commission, took an important stand on a TV program last Sunday, August 28. Questioned on the "Face the Nation" program as to his opinion of the prevailing argument that strict enforcement of security regulations has hampered scientific progress, Strauss replied, "Nonsense." He added, "How do you account for the progress of Russia?"

Thus, the Atomic Energy boss agrees with the thesis stated in the HUMAN EVENTS article for July 23, "Science, Secrecy and Security," by David Shea Teeple. Mr. Teeple pointed out that exchange of scientific information is now only a one-way street, with U.S. information available to Russia, but Russian information not made available to the U.S. Teeple reminded us that in Russia scientists and engineers are "as regimented, indoctrinated and controlled as it is possible to be in a police state." Yet they have demonstrably achieved great gains in production of airplanes, guided missiles and thermo-nuclear bombs.

Farm Aid To Russia: Representative Polk of Ohio this week wired President Eisenhower urging him to oppose trips to Russia by Americans planning to teach improved farming "know-how" to the Soviets. Polk was referring to such a trip contemplated by an Iowa farmer and expert on hybrid corn, Roswell Garst. Polk said he thought such a trip should be stopped.

The congressman, a Democrat, remarked: "We possessed something, namely agricultural know-how, that Russia desperately needs. Are we to give away our advantage in this respect and demand nothing in return?" He added, in his wire to the President: "Food production is the weak link in the chain now being forged by Russian Communism for world domination. If we give

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Russia the advantage of our agricultural know-how, who can say that, in 25 or 50 years from now, American boys may not perish by the thousands in a war of survival against international Communism."

Polk insisted that trips such as planned by Mr. Garst should be permitted only after wide concessions by the Russians, mentioning as examples, the freeing from "Russian slave labor camps" of Americans and other free world citizens, the unification of Germany and the freeing of Czechoslovakia and Poland.

Status of Forces: Congressman Frank J. Becker, Republican of New York state, has just visited American G.I.'s imprisoned in foreign jails and concludes that the protection of the U.S. Constitution has been taken away from our servicemen abroad by the Status of Forces Treaty. These G.I.'s have been tried by foreign courts and sentenced to terms in foreign prisons, under provisions of this Treaty, which is under heavy fire throughout the country. In the closing days of the last session of Congress, Senator William E. Jenner in the Senate and Representative Frank Bow in the House waged bitter fights against the Status of Forces.

Congressman Becker visited imprisoned G.I.'s both in France and England. All the G.I.'s in English jails told the congressman that they would have preferred to be tried by Army or Air Force court martial (as was the rule before the passage of the Status of Forces Treaty). Although they might have received more severe penalties from U.S. authorities, they feel that they would have been accorded a fairer hearing and would have enjoyed the services of an American officer to defend them.

As to France, Mr. Becker made this report: "Under French law, a man is guilty and must prove his innocence. This is completely reverse of the United States Constitution, under which a man is presumed innocent and must be proven guilty by the prosecutor." With one exception, all the G.I.'s whom Becker interviewed in France said they would have preferred U.S. court martial to prosecution in French courts. These emphasized that their trials were conducted in the French language and they were told from time to time what was taking place. In the case of two soldiers, their lawyer was French and could not speak English.

Congressman Becker commented: "It must be understood, that in investigating the effects of the Status of Forces Treaty, our young men enlist or are drafted into the military. They take an oath to uphold and defend the U.S. Constitution and then we proceed to send them into foreign lands."

Press Front: New Dealers are worrying about the possibility that the New York *Herald Tribune* may drop its book section which is printed at a heavy loss, its advertising volume having dropped to next to nothing. Young Ogden ("Brownie") Reid, now the controlling stockholder, has decidedly conservative political opinions; if the newspaper's editorial policy should be shifted to accord with his views, it would be a political event of the first magnitude.

The need of the *Herald Tribune* to obtain book advertising for its book review section has been a strong pull toward the left. Book authors and book publishers ("intellectuals") are not only left-orientated, but also, like labor leaders, they believe in using economic power to compel ideological compliance. It will be remembered that several years ago, a group of left-wing authors headed by Rex Stout and Elmer Rice obtained a number of signatures to a round-robin of writers who demanded that their publishers agree not to advertise in the *Chicago Tribune* because of its "reactionary" editorial policy. On the surface, the movement failed, but it is significant that the Chicago *Sunday Tribune*, despite two hundred thousand more circulation, carries in its well-edited book section only a trifling fraction of the advertising volume carried by the book section of the *New York Times*.

The New York *Herald Tribune*, having the smallest circulation of the major New York dailies, is — despite the highest per capita purchasing power of that circulation — the most vulnerable to pressure from advertisers who, in New York, are definitely New Dealish. The ADA organ, the New York *Post*, is the only afternoon daily reputedly in the black, although its circulation is

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100,000 less than the *World Telegram* (Scripps-Howard) and 200,000 less than the *Journal American* (Hearst).

Fund For Republic: The Plymouth Meeting Friends may reject the $5,000 award made to its Library Board by the Ford Fund for the Republic for "courageous action" in refusing to dismiss the Fifth Amendment librarian, Mrs. Mary Knowles — according to a letter from Mrs. Philip L. Corson, a leader in the movement to oust the librarian. Mrs. Corson says that 62 of the 100 members of the Plymouth Meeting Friends, the group to which the Library Board is responsible, have pledged to vote for refusal of the award on September 20. Stories in the left-wing press, sneering at the group seeking the dismissal of the librarian, carefully omitted any reference to the group's mimeographed platform which states its belief "that all opinions and ideologies including Communism, Socialism, rightism and leftism, should be represented on the library shelves and made readily available to all Americans at all times."

The objection is to the efforts of Red and Pink librarians to get the works of concealed Communists on the "recommended reading list." The group also expresses the belief that pro-American and anti-Communist books on library shelves should approach in number the books of the opposite faith.

$64,000 Tax Education: Members of Congress say one of the good things coming out of the "$64,000 Question" TV program, sponsored by Revlon, is the education of the American people as to the effect of tax rates upon risk-taking.

The "biblical" housewife and the "operatic" cobbler each won $32,000 which was $20,000 after taxes, but they signed off despite the fact that they had every reason to believe they ought to be able to go on and win the $64,000. They knew the final question would be no harder than those they had successfully handled; easier, if anything, because the producer and the sponsor, believe it or not, need and want occasional $64,000 winners.

But they realized they would be able to keep only $12,000 of the second $32,000 if they won; while, if they failed, they would lose the $20,000 already won, receiving in consolation a Cadillac convertible they didn't much care for anyway. So, matching the chance to lose $20,000 against the chance to win another $12,000, each said, "No."

The moral is well known to successful businessmen. The progressive income tax discourages risk taking, *especially by have-nots* — who lack the "other" profits against which losses can be charged.

"We, The People": Delegates from all 48 states are expected at the first annual convention of "We, The People," in the Conrad Hilton Hotel, Chicago, on September 17-18. Sponsors are S. H. Pettengill, Fred Busbey, Dan Smoot, J. H. Gipson, Sally Stratton and Rear Admiral P. P. Powell. Object: to counteract the attempt by the Dewey-Adams-Stassen faction to capture the GOP, on the Dewey theory that the party can gain many votes by "moving leftward." As for conservatives, the Deweyites believe that they will vote GOP for "they will have nowhere else to go." For information on the meeting, write Jerome Joachim, 3212 Grove Avenue, Berwyn, Ill.

Letter from EDGAR MONSANTO QUEENY, Chairman of Board of Monsanto Chemical Co.: "As an initial subscriber to HUMAN EVENTS, I have looked forward to it weekly for more than ten years. In it I find behind-the-scenes facts which most other reporting mediums miss or choose to ignore. It is invaluable to one desiring to be fully informed."

FRANK C. HANIGHEN, *Editor and Publisher* JAMES L. WICK, *Executive Publisher*
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Article Section

THE GROWING LABOR MONOPOLY

By DONALD R. RICHBERG

"IT IS just as necessary today to prevent and destroy labor monopolies as to prevent and destroy business monopolies. It is just as necessary today also to preserve the freedom of labor from destruction by labor monopolists as to preserve the freedom of business from destruction by business monopolists."

The foregoing statement, which I made to a Senate Committee in 1949, can be repeated today with additional emphasis. Now ahead of us is not only a merger of the American Federation of Labor and the CIO, but increasing collaboration between all the unions which speak for approximately 17,000,000 workers and which cover with their contracts all the large and vital industries of the nation.

In the years since 1949 the objective of organized labor to obtain a monopolistic control over all gainful employments has been made more clear and is more frequently announced. It may seem strange that in a country which may be the last and greatest stronghold of free enterprise, the existence and advance of such a monopoly power should be not only tolerated but actually legalized. How this came about, and why it is high time for a change in national policy, can be briefly explained.

The passage of the Sherman Anti-Trust Law in 1890 marked the beginning of a political struggle to prevent private monopolists from gradually dominating and so destroying a free economy. In the beginning, labor unions, as well as business management organizations, were subject to the broad prohibitions of the law, making illegal practically all substantial "restraints of trade." Indeed, the early enforcement of the Sherman Act fell so heavily on labor unions that by 1914 the Clayton Act was passed for the specific purpose of exempting the reasonable activities of labor unions from the prohibitions of the Sherman law. This Act provided (in the language of Chief Justice Hughes) that the anti-trust laws should not be construed to forbid the existence and operation of labor organizations "or to forbid or restrain individual members of such organizations from *lawfully* carrying out the *legitimate* objects thereof; nor shall such organizations, or the members thereof, be held or be construed to be illegal combinations or conspiracies in restraint of trade, under the anti-trust laws" (310 U.S. 469, 515).

Earlier judicial opinions sustained only such a limited exemption as indicated in the previous quotation from a later dissenting opinion. But many labor unions, using *lawless* methods to carry out what would commonly be regarded as *illegitimate* objects, sought a larger exemption of their activities. This they obtained, first, in the passage of the Norris-LaGuardia Act in 1932, and then in a series of interpretive decisions of the Supreme Court. The unions were made "free to engage in conduct which

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restrains trade." After the foregoing holding in a Supreme Court opinion, the Court observed: "But the desirability of such an exemption of labor unions is a question for the determination of Congress" (325 U.S. 797, 810).

THUS WE have arrived at the present situation in which, under the decisions of our highest Court construing the federal law, there is a practical exemption of labor unions from prosecution for any monopolistic practices, with the one proviso that they do not conspire amicably with businessmen to establish a business monopoly of prices or production.

It may be a little difficult for the ordinary citizen to understand the logic or even the meaning of Supreme Court decisions and opinions which permit unions by lawless methods to accomplish unlawful objectives just so long as they *force* businessmen, individually, to carry out their conspiracy. But if businessmen join in the conspiracy, then the exempt labor unions lose their innocence because of the guilt of their associates! The Apex Case (310 U.S. 469), the Hutcheson Case (312 U.S. 219) and the Allen Bradley Case (325 U.S. 797) make this law very clear, even almost unbelievable.

It is not only hard for the layman to understand this sort of law, but it is difficult for lawyers, particularly when Justices of the Supreme Court of the highest calibre have vigorously dissented from the opinions making this the law. Nevertheless, it is the law, and therefore we face the fact of a practical immunity of labor unions from prosecution for monopolistic practices which are sternly forbidden to business managements except when they act under the compulsion of their union bosses.

It is the modern candid contention of the labor unions that there should be no competition either between unions or between individual workers. This contention has been publicly stated over and over again. In a brief filed in the Supreme Court, the American Federation of Labor insisted that labor unions must have "the right to eliminate wage competition between individual employees and to require adherence to the common rule through the device of union membership as a condition of employment, whereas in the case of businessmen it will not include the right to eliminate price competition."

Why a labor organization should have the right to eliminate competition in a competitive system, but a business organization should not have such a right, is not made clear. But the most absurd part of the labor argument is that when labor eliminates all competition as to the cost of labor, and eliminates competition as to the quantity and quality of production (all of which things it does in trade agreements), dominant limitations on price competition are enforced. The aggregate labor costs in manufacturing industries are so large that they dominate selling prices. If price competition is practically eliminated, there can be little left except service competition. But, with the countless and complicated restrictions of a labor contract, the businessman's field of service competition is gradually disappearing.

The major purpose of anti-monopoly legislation is to prevent agreements, cartels and conspiracies by which prices are fixed and quantity and quality of production are controlled. But the dominant purpose of labor contracts is to eliminate all competition as to wages (which control prices) and as to quantity and quality of produc-

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tion. So the exemption of labor organizations from the operation of the anti-trust laws means that labor organizations can absolutely dominate the prices and quantity of production in our most vital industries. Any conspiracies of businessmen to maintain arbitrary prices or arbitrary limits on production become unimportant in comparison with this tremendous power now openly exercised by labor unions.

THERE ARE many remedies which have been suggested for meeting this situation. One remedy which is of negative instead of positive force has been written into many state laws. This is, to forbid compulsory unionism, so there may remain competition among the unions and they may not be permitted to force all workers to join them and to remain members. This limit upon the monopolistic activities of the unions is being bitterly fought by them, so one can imagine the extent of their antagonism to any strong effort to eliminate the exemption of labor unions from the prohibitions of the anti-trust laws.

Over and over again bills have been introduced in Congress and extensive hearings have provided ample data which demonstrates the necessity for such amendments and also how easily and effectively they could be written. Without analyzing these various legislative proposals, I am going to bring my discussion to a focus and a conclusion by stating and explaining briefly the amendments which I would regard as appropriate to accomplish this purpose.

First, let me recall that the Clayton Act originally only provided for exemption of the unions in "*lawfully* carrying out the *legitimate* objects thereof." If this were the law today, the unions would be stripped of the power of lawless actions in restraint of interstate commerce and violent abuses of their strike power to accomplish the illegitimate object of monopolizing interstate commerce. To wipe out the outrageous extension of union power through judicial constructions of the Clayton Act and the Norris-LaGuardia Act, it would be appropriate to redefine this key phrase, "lawfully carrying out legitimate objects." For this purpose I would suggest the following:

The first definition: The "legitimate objects" of labor organizations are defined to include the organization and concerted activities of employees in protecting and promoting their interests in reasonable wages and working conditions, by any peaceful and lawful means, but shall not include the creation and exercise of such monopolistic controls over industry, trade or commerce among the several States, or with foreign nations, as to limit substantially competition in prices or quality of products or services, either nationally or within a local marketing area; and shall not include the making of agreements with employers providing that union membership shall be a condition of employment, whenever or wherever the consequence of such agreements shall be to threaten to give or shall give to a labor organization a monopolistic control over employments in an entire industry within the United States, or within one of the several States.

The second definition: "Lawfully carrying out the legitimate objects" of labor organizations is hereby defined to include any activities of a peaceful, orderly character which are not forbidden by any law of the United States or of the locality within which they are carried on, but shall not include any uses of fraud, force, violence

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or intimidation, or any conspiracy to violate or to prevent enforcement of any law of the United States or of one of the several States."

MY FIRST DEFINITION is intended to eliminate from the legitimate objects of the labor organization the uniform negotiation of contracts which have the inevitable effect of substantially limiting competition "either nationally or within a local marketing area." It also excludes from a legitimate object the making of closed shop or union shop agreements which give a labor union a monopolistic control over employments.

The second definition is intended to carry out the vigorous dissents in the Supreme Court against a construction of federal law which leaves the government helpless to prevent the use of fraud, force and violence as a deliberate policy of concerted action.

To restore the power of judicial enforcement of the anti-trust laws against labor unions, there should be added to the foregoing definitions a provision to the effect that the jurisdiction of any court of the United States to issue an injunction against a labor organization or its members, which are found engaged in conduct which is not "lawfully carrying out the legitimate objects" of such an organization, shall not be restricted by the Clayton Act or the Norris-LaGuardia Act.

Part of the monopoly power of labor unions arises from favoritism in legislation, part from an unwarranted extension of this favoritism by Supreme Court interpretations; and part arises from the timidity, unwillingness or incapacity of local police officers to enforce the criminal law as it is applied to every other individual or organized violence except that occurring in a strike.

These evils will not be remedied until an overwhelming majority of free citizens realize that labor's economic monopoly and political power are preparing the way for Communism far more effectively than the Communists themselves. Long ago William Z. Foster, head of the American Communists, wrote in a book: "American society is headed to Communism through an intermediary state of Socialism which would be operated on the basis of a planned economy."

The outstanding advocates and promoters of a planned economy are today the monopolistic, politically powerful leaders of organized labor. No matter how strongly they protest their anti-Communism, they are diligently engaged in establishing as much state Socialism as the American people can stand as rapidly as their instinctive antagonism to Communism can be overcome.

Donald R. Richberg, one-time General Counsel and later head of NRA and Director of the National Emergency Council, is well-known for his writings on political and economic subjects. HUMAN EVENTS has published three of Mr. Richberg's pieces: "The Question of the Hour," January 25, 1950; "How Communism Is Winning," August 29, 1951; and "The New Slavery: No 'Right-to-Work' Without a Union License," July 2, 1955.

Additional copies of the 4-page Article: 6 for $1; 10 for $1.50; 50 for $5.50; 100 for $10; 500 for $20; 1,000 for $30.
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